and in the case of clerks and teachers, they likewise receive less, though their work, both in quality and quantity, is often equal to that of men. Those who fear that women are having matters too much their own way in the competition with men will take comfort from the authors' assurance that the field of employment for women in practice widens without really narrowing that for men, in that for every class of work abandoned to women, several entirely new branches have sprung into existence for the supplanted sex. Dealing with the regulation of the hours of labor, the authors come to the conclusion that the probable economic results, so far as they can be discerned, of a general shortening of the hours of labor will be slightly to decrease the average productivity per worker, but also to absorb a part of the unemployed, thus increasing the total production of the community, so that supply and therefore demand will in the aggregate suffer no diminution, while no effect will be produced upon prices generally, though particular commodities may be subject to variations.

In dealing with the sweating system, it is characteristic of the authors' position that they advocate no wholesale stamping out, but rather would place all workshops under the stringent sanitary and other regulations of the Factory Acts, so leveling up the conditions of employment in such a manner that sweated labor would not pay. One may doubt, however, whether the authors do not take too favorable a view of the influence of alien labor of the lower kind such as is found in the East of London and the other centres of the clothing industries upon the standard of life common to the English workman.

One of the most suggestive chapters is that upon the reform of the Poor Law. Among the measures advocated are state pensions for the aged, better education for pauper children, the transference of infirmaries and hospitals to public authorities making the community responsible for the maintenance of these institutions, the public burial of the dead, the abolition of the casual ward with concurrent disciplinary treatment for bona fide vagrant idlers, and the improvement of the existing Poor Law machinery.

The work is eminently suggestive in many ways, and is no unworthy addition to the important contributions to social reform which Mr. and Mrs. Webb have already made.

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Geldzins und Güterpreise. Eine Studie über die den Tauschwert des Geldes bestimmenden Ursachen. By Dr. Knut Wicksell. Pp. 189. Jena: Verlag, von Gustav Fischer, 1898.

Dr. Wicksell's work is an attempt to present a working theory of

prices and to ascertain the definite origin of the exchange value of money. The author first attempts to show the inadequacy of existing theories of prices. He takes up in order the Cost of Production Theory, and the Quantity Theory. The first is disposed of very briefly by showing that the ground upon which its rests, viz: that the value of gold is different from all other values because it has no value in itself, is insecure, since gold is much in demand for industrial purposes, and that, other things being equal, the strength of the marginal demand for industrial purposes will vary inversely with the amount of gold available for industrial consumption.

The quantity theory of the value of money is disposed of as the assertion of an identical proposition which sheds no light on the operation of the forces which determine the price level. It is operative, the author says, only under assumed conditions: (1) a fixed amount of money in the hands of the individual exchangers; (2) a fixed rapidity of circulation within certain limits; (3) a sharp distinction between the circulation and the hoards of money. These conditions, the author declares, do not exist; the quantity theory is therefore valueless.

The author has misconceived the theory which he attacks, and has therefore misstated it. The quantity theory of money asserts that the value of money, like the values of all other goods, is determined by the relation between its supply and demand. The demand for money is represented by the number of exchanges which require to be made by the use of money. The supply of money is the available amount of the medium of exchange (gold + token money + bank credit + individual credit) taken in connection with the rapidity of circulation. The quantity theory asserts the same law concerning the medium of exchange which admittedly governs the values of all other goods.

Dr. Wicksell's own theory of price may be briefly summarized as follows: the industrial undertakers borrow from the banks a certain amount of money sufficient to procure for them the capital necessary for the operations of the year. At the end of the period of production, if conditions remain unchanged, and eliminating the element of risk, they will receive a sum in exchange for their product which will enable them to repay the banks, and still leave them a certain amount which is the reward of their services as managers. If, for any reason —increased productivity of labor, discovery of new sources of supply, invention of new machinery—this reward of the entrepreneur is increased, a competition at once sets in for the means of production, in other words, for the consumable goods which form the circulating capital of the country. More purchasing power is obtained from the

banks who meet the demand by expanding their credit, more money is offered for the commodities which form the remuneration of landlords and laborers, and prices rise. This increased competition enables the banks to charge a higher rate of interest which reduces the difference between the profits of the entrepreneur and the bank-rate and exchanges go forward on a new price-level. If the productivity of industry declines, the reverse operation takes place. Prices, wages, interest and rent fall. The prime cause of price changes is therefore the difference between the rate of return on real capital, and the bank rate of interest.

It is plain that the quantity theory lies at the basis of Dr. Wicksell's theory. How are the entrepreneurs enabled to offer more for the circulating capital? The author answers, by an increase in bank credit; in other words, by a relative increase in the supply of the medium of exchange, and as the quantity theory asserts, the price level must rise. In the same way if business is slack, if little money is being paid out for wages, and providing that the supply of commodities does not decrease also, the price level must fall. In other words, the machinery of rising or falling prices is found in the relations between the banks and the managers of industry. Rising prices coincide with prosperity and falling prices with depression. Unless there is this margin of profit to which the author refers, industry will be stagnant, little money will circulate and the price level must decline, assisted in its downward movement by the forced liquidations which always attend a period of depression. On the other hand, when business is brisk, when profits are high, and the industrial future is bright, large amounts of money are constantly paid out by the managers of industry, the purchasing power in the community is greatly increased, and the prices of all goods advance under the stimulus of larger effective demands from the consumer.

The theory presented by the author is useful to enable us to understand the *modus operandi* of price changes. It does not, however, in any sense, take the place of the quantity theory but merely supplements and confirms that theory.

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Le Socialisme Utopique. Études sur quelques précurseurs inconnus du socialisme. Par ANDRÉ LICHTENBERGER. Pp. 276. Paris: Alcan, 1898.